

Minneapolis Convention Center 2013 Budget Hearing

Department found on pages C19-C25 in budget book

Presentation to Ways and Means/Budget Committee
October 2, 2012

Convention Center Programs

MCC Events Program

- Operating Revenues \$14.8 million
- Operating Expenses \$13.7 million
- Meet Minneapolis \$ 8.9 million
- Net (\$ 7.8 million)
- Hospitality Tax Support \$ 7.8 million

- FTEs 144.3
- Economic Impact \$350 million
- Economic Driver
- Supports Jobs & Economic Vitality Goal
- Contributes to a vibrant downtown
- Eco-Focused

Facilities Program

- Operating Expenses \$11.2 million
- Repair & Maintenance \$ 8.7 million
- Net (\$19.9 million)
- Hospitality Tax Support \$19.9 million

- FTEs 31.8
- Supports Jobs & Economic Vitality Goal
- Eco-Focused

Convention Center Programs

Tallmadge Program

■ Operating Revenues	\$200,000
■ Operating Expenses	<u>\$225,000</u>
Net	(\$25,000)
■ Hospitality Tax Support	\$ 25,000

- FTEs -0-
- Currently operated as office building
- Repurposing to a Visitor Center
- Supports Jobs & Economic Vitality Goal

Target Center Program

■ Operating Expenses	\$5.7 million
■ CPED, TIF, etc	<u>\$4.4 million</u>
Net	(\$1.3 million)
Hospitality Tax Support	\$1.3 million

- FTEs 1
- Supports Jobs & Economic Vitality Goal
- Contributes to a vibrant downtown
- Contractual operational agreement with AEG

2013 Budget Planning

- Expense budget decreased 3.1% from 2012 budget
 - 9% reduction in FTEs from 2012 budget
 - *changes made in early 2012 – no further cuts in 2013*
- Revenues increased 4.5% from 2012 budget
- Event activity at 2011 levels
 - *433 events . . 820 event days . . 60% occupancy*
 - *\$350 million in Economic Impact*
- Continued Investment in Repairs & Maintenance

2013 Impact Goals

- **Minneapolis Convention Center is using the Balanced Scorecard for Planning & Goal Setting**
 - Five (5) Areas of Focus
 - Links to Business Plan

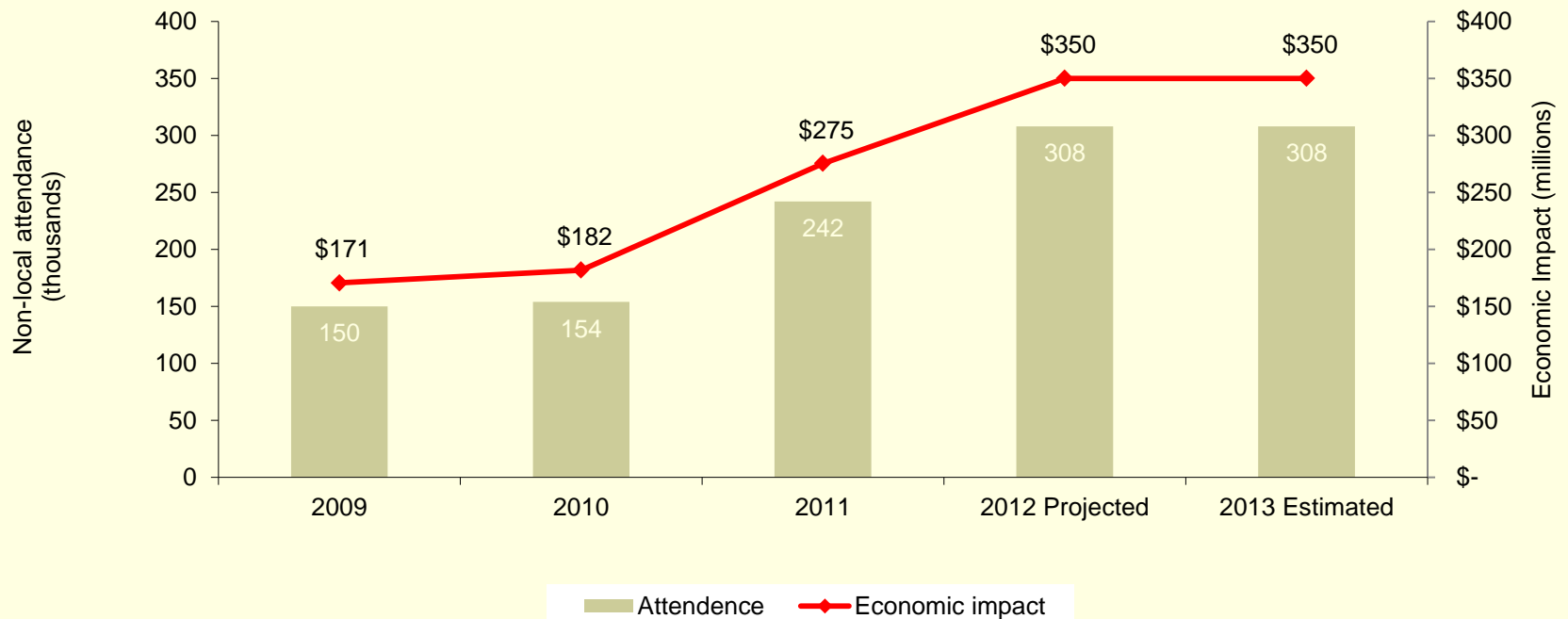
- **Financial - Impact on the Stakeholders**

Impact of Recommended Budget on Key Results

Financial: - Impact on the Stakeholders

Provide \$350M in economic impact to our city and region

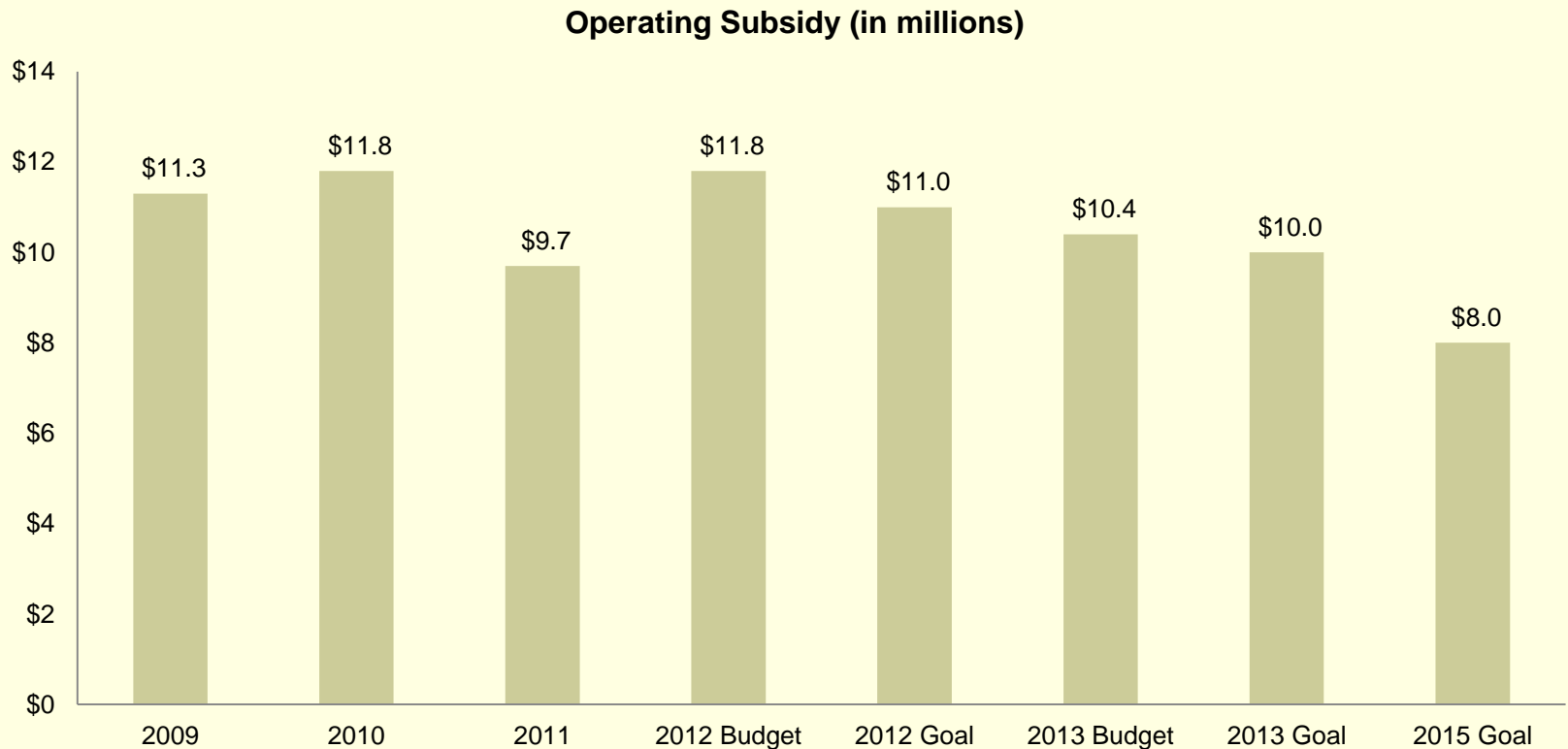
Non-local Attendance and Economic Impact



Impact of Recommended Budget on Key Results

Financial: - Impact on the Stakeholders

Contain our operating subsidy (operating expenses minus operating revenue) to \$10M



In 2013, investment of \$10M returns \$350M in Economic Impact to the community

Impact of Recommended Budget on Key Results

Financial: - Impact on the Stakeholders

Contain our operating subsidy (operating expenses minus operating revenue) to \$10M

Operating Expenses (in millions)



Total Operating Revenue (in millions)



2013 Repair & Maintenance Investments (\$8.8 million)

- Front of House Main Lobby / Visitor Information Center
- Tallmadge Building
- Operable Walls
- Wall Fabric & Carpet
- Escalators
- Ex Hall Lighting (B, C, D & E)
- Building-Wide Retro-commissioning Recommendations

2013 Impact Goals

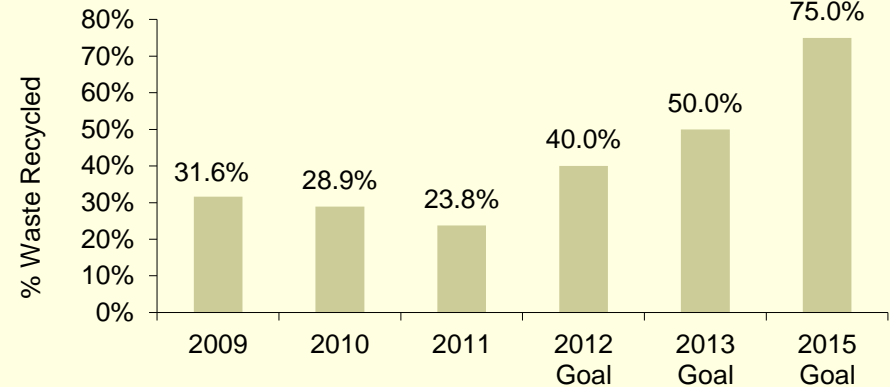
- **Operational - Impact on the Operation**

Recent or Planned Efficiencies

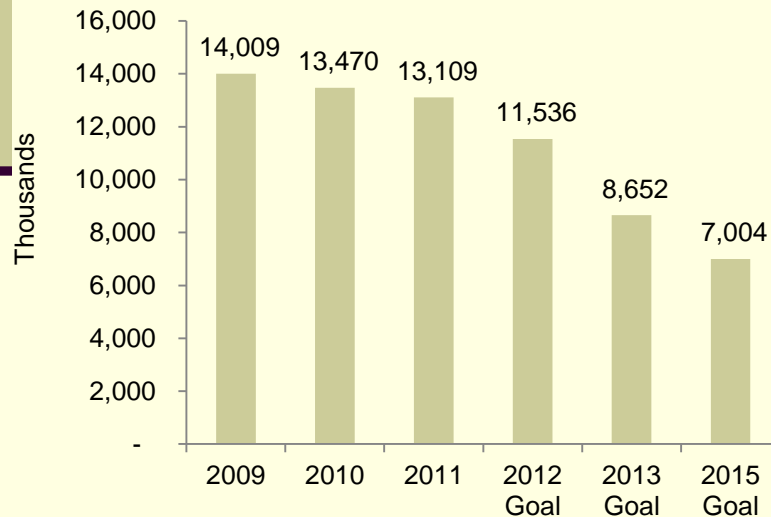
Impact on the Operation

- Recycle 50% of all waste
- Reduce energy use by 5%
- Reduce water use by 25%

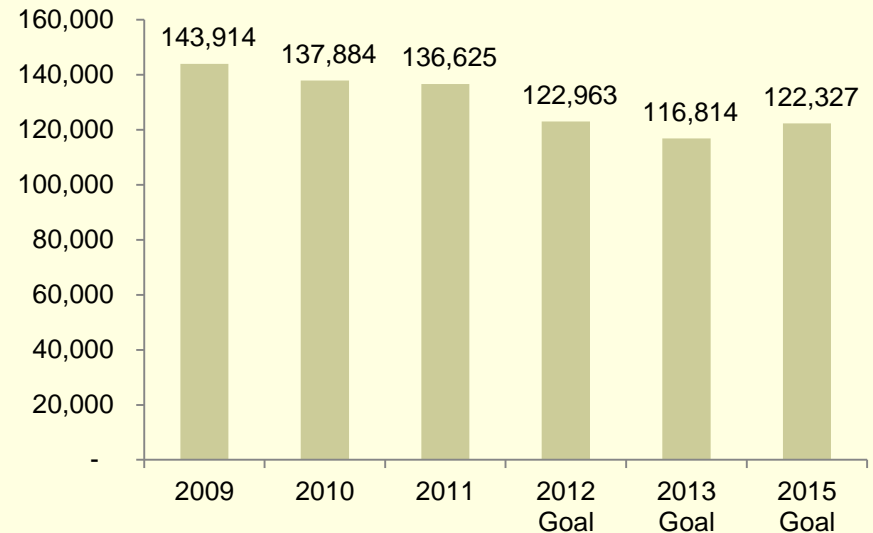
Recycling Percentage



Gallons of Water Used (in thousands)



Total Energy* Use kBTU (in thousands)



* Total energy includes electricity, natural gas, cooling and heating.

Recent or Planned Efficiencies



■ Sustainability

- Remodeled Restrooms
- Water Catchment
- Lighting Retrofit – Hall A
 - Future Halls Planned
- Landscaping
- Dome Replacement

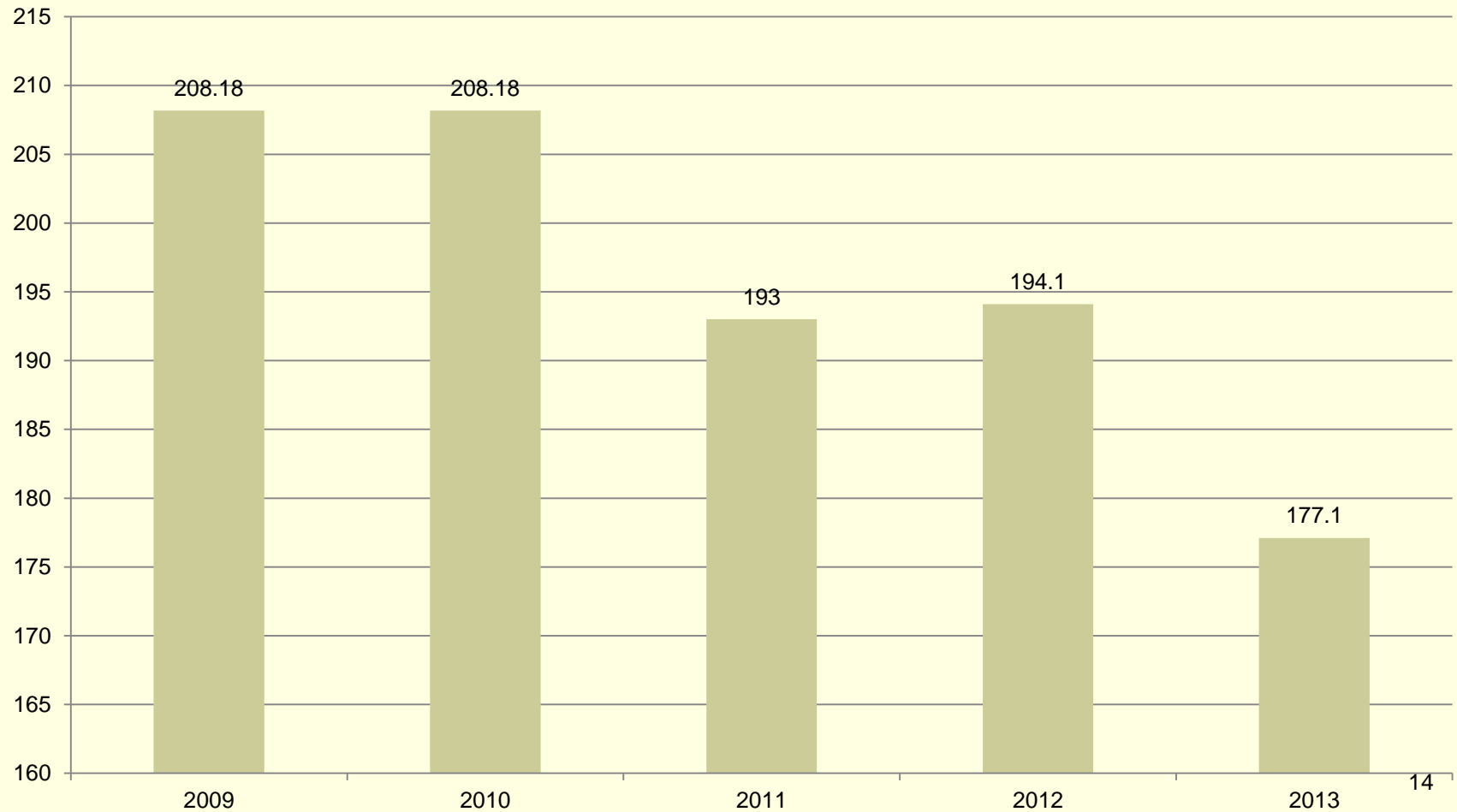


2013 Initiatives - Technology

- iPads – issued 30 iPads to Event Services, Guest & Security Services, Exhibitor Services, Technology Services and Event Operations staff
 - Immediate service order/payment processing for exhibitors
 - Event Plans on Cloud
 - Costs minimal beyond equipment
 - 2013 . . .Full iPad access to EBMS
- Hosting EBMS – In late 2012, MCC will move our Event Management system to a hosted webserver
 - Seamless upgrades & patches
 - Immediate testing of upgrades
 - Partners have direct access to event information
 - Remote access
 - \$38,000 per year

Recent or Planned Efficiencies

FTEs



2013 Impact Goals

- **Destination Development – Impact on our Community**
 - **Joint Goal with Meet Minneapolis**

Destination Development 2013 Initiatives

- **Destination Development – Impact on our Community**
 - Create “Mayor’s Award for Creative Placemaking @ Minneapolis Convention Center”
 - 2,000 attendees for unveiling event and 50,000 total attendees
 - 10,000 convention center website unique visits and 100,000 media impressions
 - Provide \$25,000 in discounts to local events that fit our criteria as Community Events
- **New Logo & Brand**
Relationship Building

New Logo & Brand

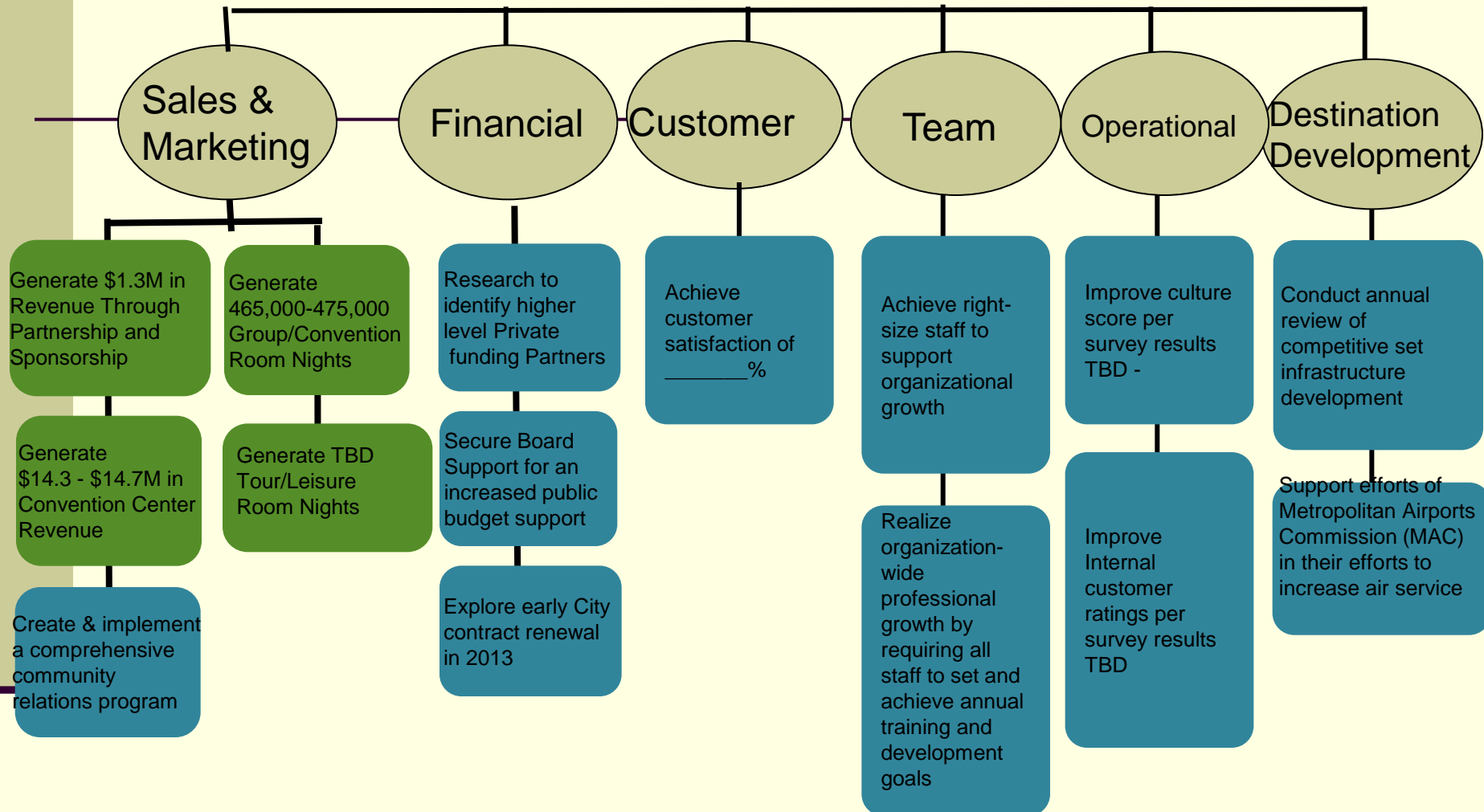


Minneapolis
Convention Center

Destination Development

- Contracts:
 - Meet Minneapolis
 - Provides sales & marketing for the Convention Center and City as a whole
 - \$8,887,622 included in Events Program
 - Goal Based
 - Competitive Market
 - Event Booking Partnership

Meet Minneapolis - Vision – Mission - Values



KPIs

2013 Annual Business Plan (PRELIMINARY)

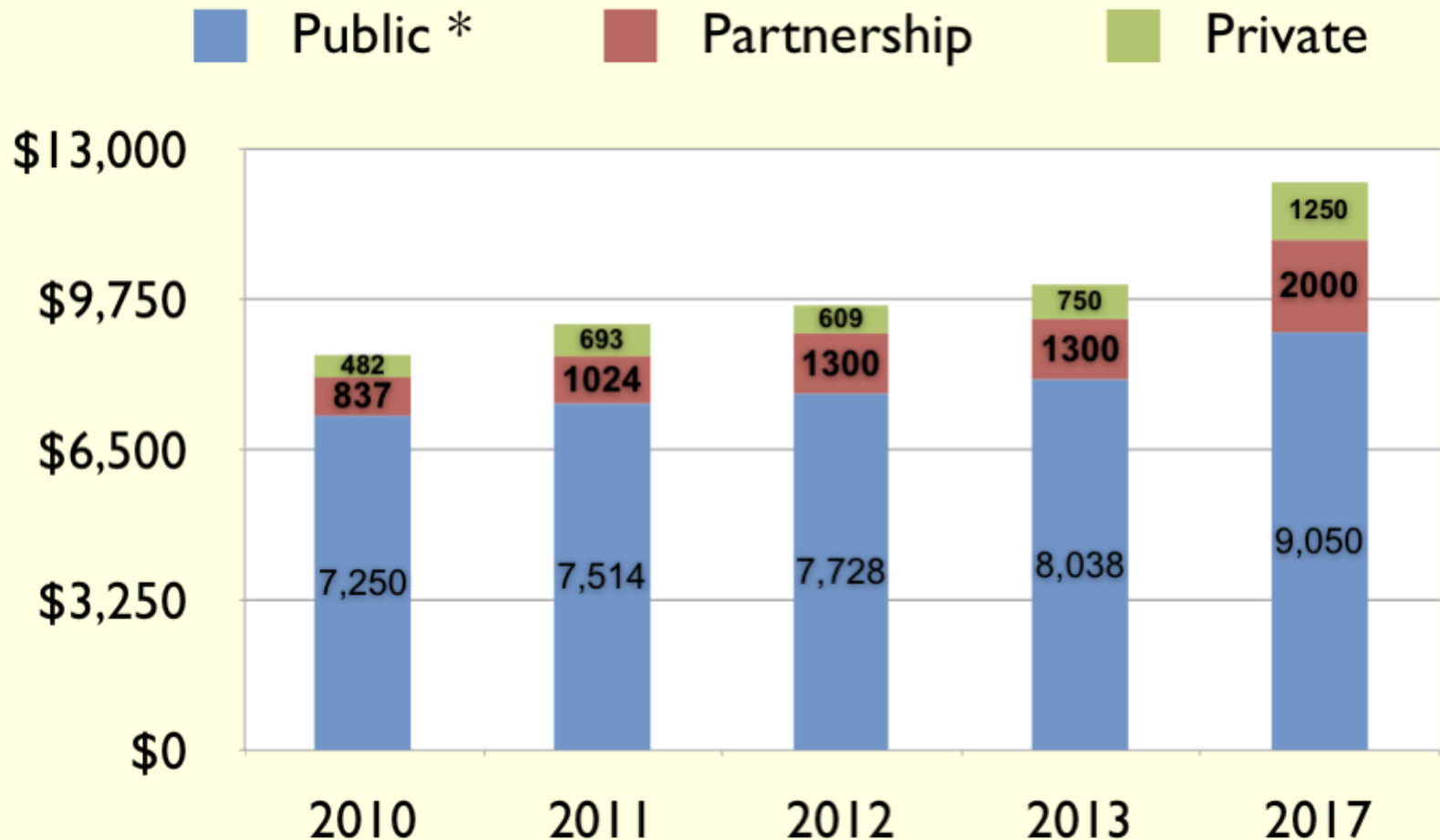
Destination Development 2013 Initiatives

■ Meet Minneapolis

- Experiential tourism assessment & development
- Host the 2013 Explore Minnesota Tourism Conference
- Community relations strategy
- Public relations strategy
- Helms Briscoe partnership
- Hosting RCMA
- Convention HQ Hotel Project
- Booking key events in new Vikings Stadium
- Meet Minneapolis Local Organizing Committee (MMLOC)

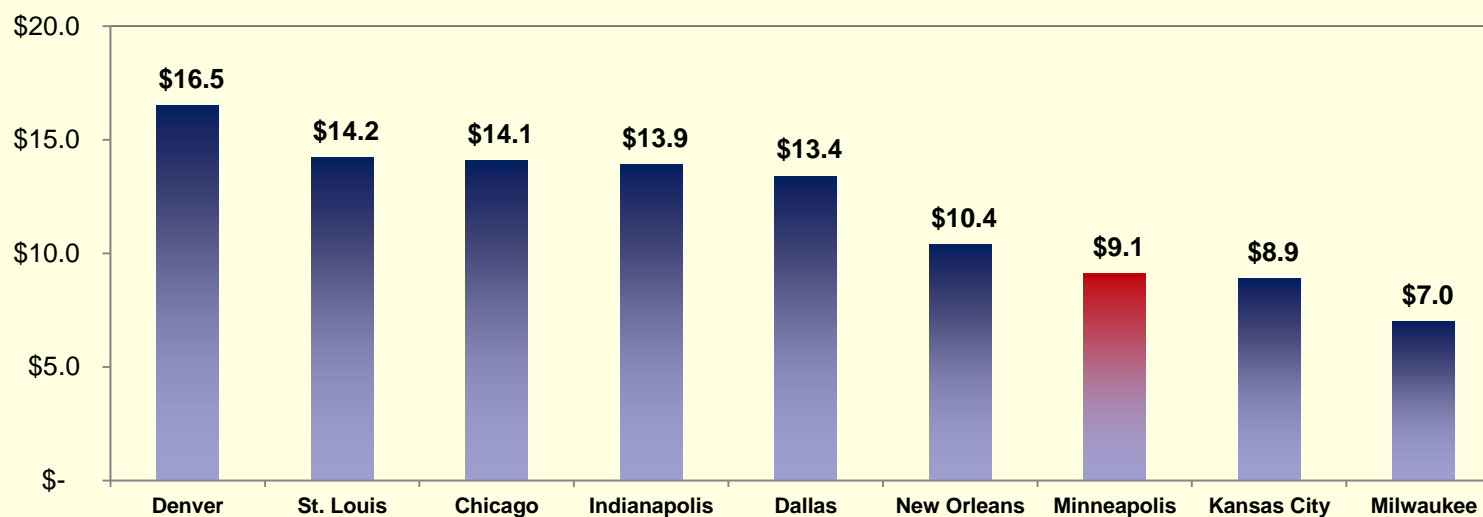
Destination Development

Meet Minneapolis 2010-2013 Budget



Destination Development

Competitive Set Annual Budgets (Millions)



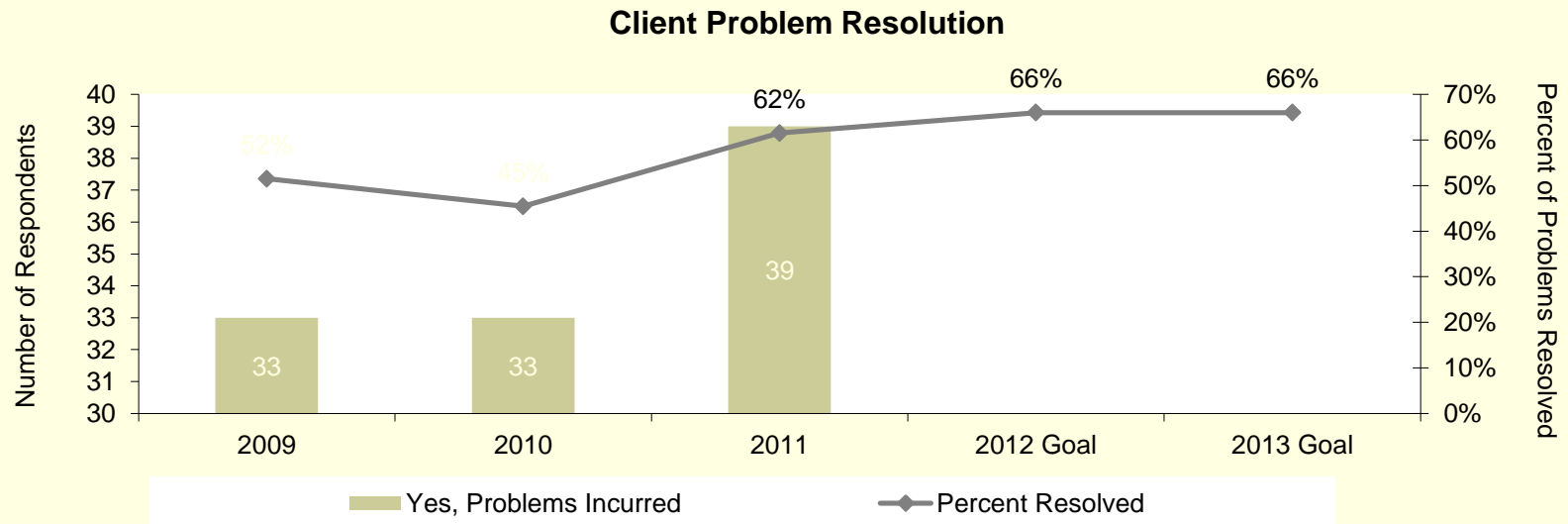
Sources: 2011 DMO Organizational & Financial Profile Study, Destination Marketing Association International (DMAI); 2011 Austin Competitive CVB Survey, Austin Convention & Visitors Bureau

2013 Impact Goals

- **Customer - Impact on the Customer**

2013 Initiatives

- **Customer: - Impact on the Customer**
 - Achieve 66% client resolution
 - Implement a customer IMPACT program
 - Continue Customer Focus Groups and implement three initiatives garnered from the discussions



2013 Impact Goals

■ People - Impact on the Staff

Workforce Planning

- **People: - Impact on the Staff**

- Conduct an organizational culture survey to identify areas of improvement
 - Increase Customer Focus by ____% (provided by employee committee)
 - Increase Team Orientations by ____% (provided by employee committee)
 - Increase Mission by ____% (provided by employee committee)
- Implement Performance Management
 - Perform Minneapolis
 - Develop IMPACT training around competencies and essential functions
- Develop Standards of Service
- New Uniforms

Contracts

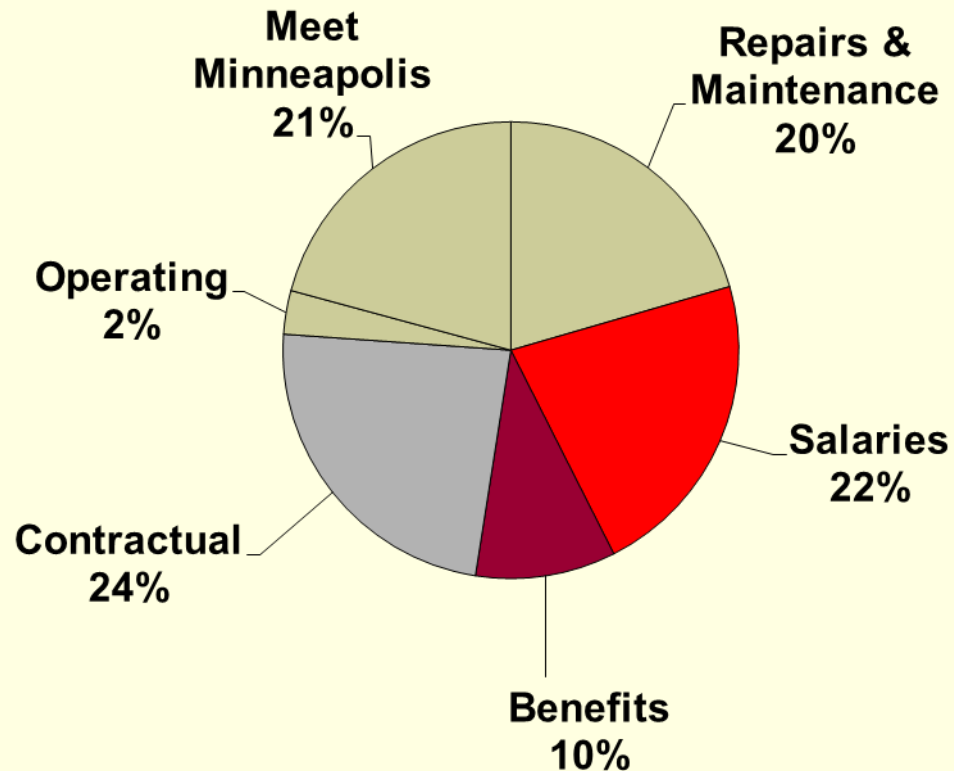
- Kelber Catering
- Security contracts
- Convention Center Repair & Maintenance \$8.8 million
- Operating Contracts Coming Due:
 - Waste Hauler
 - Emergency & First Response
 - Electrical Services
 - Table Linens & Laundering
 - Uniforms
- Women or Minority Business Enterprise Opportunities

Partnerships

- Citizens for Loring Park
- Wesley Center Board of Directors
- Central Lutheran
- Westminster
- Stevens Neighborhood
- DID – recycling, greeters
- 2025 Plan
- Meet Minneapolis – One Team

Minneapolis Convention Center

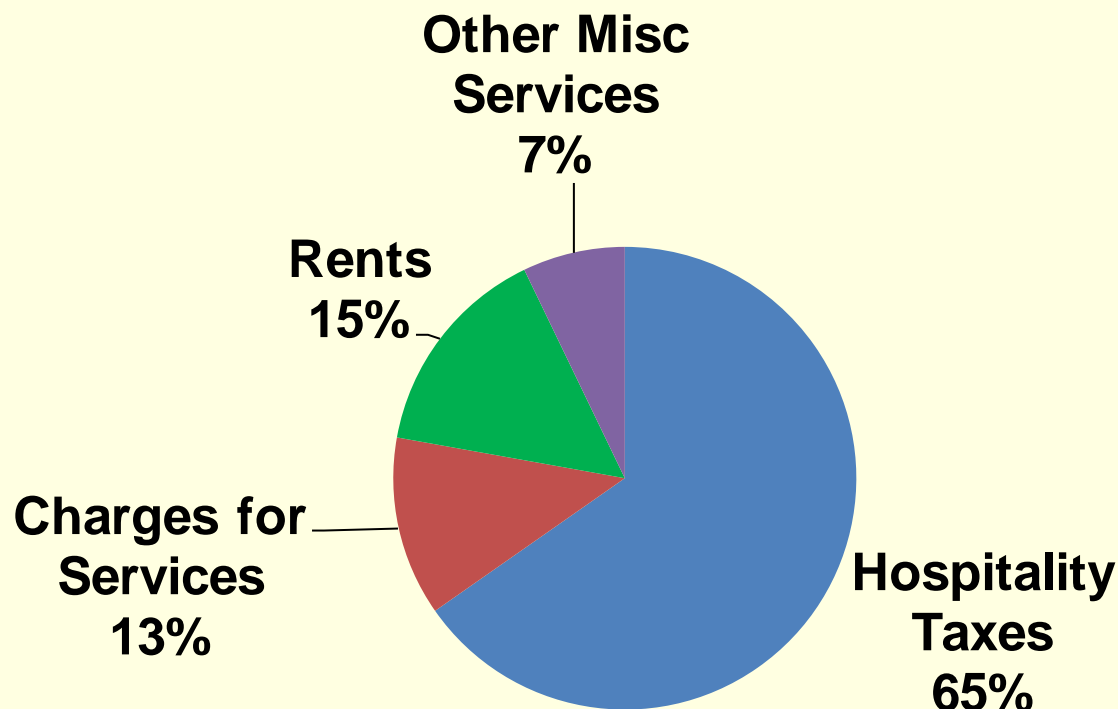
Expenditures by Type (\$42.6 million)



65% of our operating costs are fixed

Minneapolis Convention Center

Operating Revenue by Type (\$42.6 million)



Difference between operating revenues & operating expenses (subsidy) is supported by hospitality taxes